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DE RUEHKT #1725/01 1811118 ZNY CCCCC ZZH O 301118Z JUN 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 2156 INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 4193 RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 9950 RUEHTC/AMEMBASSY THE HAGUE IMMEDIATE 0303 RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 0359 RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 4541 RUEHOT/AMEMBASSY OTTAWA IMMEDIATE 0189 RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0959 RUEHCP/AMEMBASSY COPENHAGEN IMMEDIATE 0327 RUEHNY/AMEMBASSY OSLO IMMEDIATE 0243 RUEHGV/USMISSION GENEVA IMMEDIATE 1209 RUEAIIA/CIA WASHDC IMMEDIATE RHEHNSC/NSC WASHDC IMMEDIATE RHEFDIA/DIA WASHDC IMMEDIATE RUEKJCS/SECDEF WASHDC IMMEDIATE

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SUBJECT: INDIAN AMBASSADOR ON BHUTANESE REFUGEES

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

GOI Floats Bhutanese Proposal on Restarting JVT

11. (C) During a June 30 meeting, Indian Ambassador Shiv Mukherjee told the Ambassador that Ministry of External Affairs (MEA) Joint Secretary Pankaj Saran, following his visit to Thimpu, had sent up a suggestion that the Government of Nepal (GON) allow a small joint verification team (JVT) perhaps comprising two Nepalis and two Bhutanese to go to the camps. The MEA reasoned that this would remove the RGOB's current justification for not moving on repatriation of the Bhutanese refugees. Mukherjee said he had passed the proposal to Foreign Minister KP Oli, but was waiting for a response. The Ambassador expressed concern that Saran's proposal was a non-starter; the RGOB presumably hoped the GON would reject the idea out of hand, since it would amount to reopening an issue the GON considered settled; moreover, if a team containing RGOB officials visited the camps, it would likely touch off riots in the camps. The Ambassador pointed out that the proposal was further proof that the Bhutanese did not appear serious about taking any of the refugees back.

Looking At Other Options ...

12. (C) The Ambassador informed Mukherjee that, during his recent consultations in Washington, he had found interest in the USG accepting a high number of Bhutanese refugees, perhaps as many as 75,000. The Ambassador noted that Canada had committed to taking 5,000 and Australia was also interested. The Ambassador had observed that third-country resettlement could thus largely resolve the issue. He said the one hang-up was the Nepalese fear of possible future RGOB expulsion of the remaining ethnic Nepalis in Bhutan. To assuage that fear, the Government of Nepal (GON) wanted to get some repatriation of refugees to Bhutan, since it believed that would amount to a tacit admission of guilt for the 1990-1991 expulsions. The Ambassador worried, however, that Bhutan had no intention of repatriating any refugees.

... A GOI Guarantee Against Further Expulsions

 $\P 3.$ (C) Mukherjee said that part of the problem was that the RGOB had "incredible clout" in New Delhi and knew exactly how to work the Indian political system. The Ambassador replied that, given that reality and given that the RGOB apparently did not want to take back any refugees, we needed to look at other solutions to allay GON concerns over possible future expulsions. One option would be to hold an international conference, where the international community moved toward third country resettlement, while condemning the 1990-91 expulsions; however that would be difficult as the RGOB had many supporters in the international community. Another possible solution would be for the Government of India (GOI) to give the GON a guarantee that expulsions would not happen again. The GOI had both the clout and the shared border with Bhutan to make such a guarantee credible. The Ambassador informed Mukherjee that the previous government had refused to consider that option, but the current GON appeared willing to consider it. The Ambassador said he had tentatively raised it with FM Oli, who seemed interested. The Ambassador noted that he believed the refugee camp leaders' insistence on repatriation was not an insurmountable obstacle, as the majority of refugees seemed open to third-country resettlement. The Ambassador added that UNHCR's census would be an important first step.

In India's Interest To Act

14. (C) The Ambassador pointed that if there were no action, the Bhutanese refugee problem could blow up. If the Maoists entered and then dominated government, they could politicize and train the refugees in the camps. This would potentially negatively affect Nepal, India and Bhutan. Keeping the refugees in the camps posed a long-term threat, he remarked, and thus it was in India's interest to act to help to resolve the issue. Mukherjee said he would float in New Delhi the proposal that India provide a guarantee against further expulsions. He suggested very strongly that the U.S. Embassy in New Delhi also raise the proposal with Joint Secretary Pankaj Saran or Foreign Secretary Syam Saran to get it in the system. He noted that the RGOB King or Crown Prince planned to visit New Delhi in July so it would be useful to start the GOI thinking about the possibility of giving a guarantee to prevent further expulsions.

Comment

15. (C) We heartily endorse the Indian Ambassador's recommendation that Embassy New Delhi also raise with the GOI the possibility of India providing a guarantee to the GON against further expulsions. We believe there is an opportunity to find a comprehensive, durable solution if we can get over the hurdle of ensuring the RGOB does not expel remaining ethnic Nepalis.

MORIARTY